

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 31, 2023

**STRATTEC SECURITY CORPORATION**

(Exact name of registrant as specified in charter)

Wisconsin

(State or other jurisdiction of incorporation)

0-25150

(Commission File Number)

39-1804239

(I.R.S. Employer I.D. Number)

3333 West Good Hope Road  
Milwaukee, WI

(Address of Principal Executive Offices)

53209

(Zip Code)

(414) 247-3333

(Registrant's telephone number; including area code)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of exchange on which registered
Common stock, \$.01 par value	STRT	The Nasdaq Global Stock Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On October 31, 2023, Frank J. Krejci, President and Chief Executive Officer of STRATTEC SECURITY CORPORATION (the “Company”), and Dennis Bowe, Vice President and Chief Financial Officer of the Company, will participate in a meeting with investors and others at the Gabelli Funds 47<sup>th</sup> Annual Auto Symposium. As part of the Symposium these members of Company management will provide a presentation to the participants in attendance regarding certain matters impacting the Company and its operating results. A copy of the presentation is attached as Exhibit 99.1 to this report. The attached Exhibit 99.1 is furnished pursuant to Item 7.01 of Form 8-K.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing.

This Form 8-K and the Exhibit attached hereto may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words or phrases such as “anticipate,” “believe,” “could,” “expect,” “intend,” “may,” “planned,” “potential,” “should,” “will,” and “would.” Such forward-looking statements are inherently subject to many uncertainties in the Company’s operations and business environment. These uncertainties include general economic conditions, in particular, relating to the automotive industry, consumer demand for the Company’s and its customers’ products, competitive and technological developments, customer purchasing actions, changes in warranty provisions and customer product recall policies, work stoppages at the Company or at the location of its key customers as a result of labor disputes, foreign currency fluctuations, uncertainties stemming from U.S. trade policies, tariffs and reactions to same from foreign countries, the volume and scope of product returns, adverse business and operational issues resulting from the continuing effects of the coronavirus (COVID-19) pandemic, matters adversely impacting the timing and availability of component parts and raw materials needed for the production of our products and the products of our customers and fluctuations in our costs of operation (including fluctuations in the cost of raw materials). Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date hereof and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances occurring after the date of this Report. In addition, such uncertainties and other operational matters are discussed further in the Company’s quarterly and annual filings with the Securities and Exchange Commission.

**Section 9 - Financial Statements and Exhibits**

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[99.1](#) – Presentation of STRATTEC SECURITY CORPORATION at the Gabelli Funds 47<sup>th</sup> Annual Auto Symposium held on October 31, 2023.

104 – Cover Page Interactive Data File (embedded within the Inline XBRL document).

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: October 31, 2023

STRATTEC SECURITY CORPORATION

By: /s/ Dennis Bowe

Dennis Bowe, Vice President and CFO

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**Gabelli Funds 47<sup>th</sup> Annual Auto Symposium**

October 31, 2023

STRT (NASDAQ)

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## Disclosure for Presentation on October 31, 2023

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include expected future financial results, product offerings, global expansion, liquidity needs, financing ability, planned capital expenditures, management’s or the Company’s expectations and beliefs, and similar matters. The Company’s business, operations and financial performance are subject to certain risks and uncertainties, which could result in material differences in actual results from the Company’s current expectations. These risks and uncertainties include, but are not limited to, general economic conditions, in particular, relating to the automotive industry, customer demand for the Company’s and its customer’s products, competitive and technological developments, customer purchasing actions, foreign currency fluctuations and costs of operations. Such risks and uncertainties are discussed further in the Company’s filings with the Securities and Exchange Commission.

This presentation includes selected information regarding the Company’s business, operations and financial performance and is qualified in its entirety by the more complete information contained in the Company’s filings with the Securities and Exchange Commission and other public disclosures.

All information in this presentation is as of October 31, 2023 and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. The company undertakes no obligation to update any information in this presentation to reflect subsequent events or circumstances.

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**Frank J. Krejci**  
(CRAY' CHEE)  
***President & CEO***

*and*

**Dennis Bowe**  
(virtual)  
***CFO***

- ✓ Headquarters – Milwaukee, Wisconsin
- ✓ Established 1908
- ✓ Formerly part of Briggs & Stratton Corporation
- ✓ Spun off in 1995 as public company – STRT (NASDAQ)
- ✓ 51% owner of Joint Venture with ADAC Automotive making door handles
- ✓ Shareholder in VAST Automotive Group until June 30, 2023



**Briggs & Stratton**  
*"Flyer"*

<https://www.vintag.es/2020/09/smith-flyer.html>

- Sales: \$500 million
- Employees: 3,300
  
- Owned Facilities: Wisconsin, Michigan, 4 in Mexico (total of 892k sq. ft.)
- Leased Facility: Texas (115k sq. ft.)
  
- Consolidated Book Value of attributable to STRATTEC is \$189m/\$16m cash
- All consolidated debt of \$13m held by Joint Venture
- 2023 share price range \$16.06 to \$31.04 (market cap of \$65m to \$126m)
- Book Value: \$47 / share



**Milwaukee, WI**

- STRATTEC Headquarters
- Manufacturing
- Engineering
- Testing



**Auburn Hills, MI**

- STRATTEC Power Access HQ
- STRATTEC Sales Office
- Engineering
- Program Management



**El Paso, TX**

(Distribution)



**ADAC STRATTEC de Mexico**

- Injection Molding
- Door Handle Mfg and Painting



**STRATTEC Mexico Operations - Juarez, Mexico**

- Engineering
- Assembly
- Testing

## ✓ RECENT TRANSACTIONS

- Sold VAST equity (China, India and Brazil)
- Acquired 20% STRATTEC Power Access
- Significant cash infusion to eliminate STRATTEC debt
- Greater focus on Strattec priorities

## ✓ MEXICAN COSTS

- Peso exchange rate deteriorated from 20.25 to 17.11 in FY23
- January 2023 government mandated 20% minimum wage increase

## ✓ PRICE INCREASES

- Concluded \$8 million in retro pricing plus forward pricing

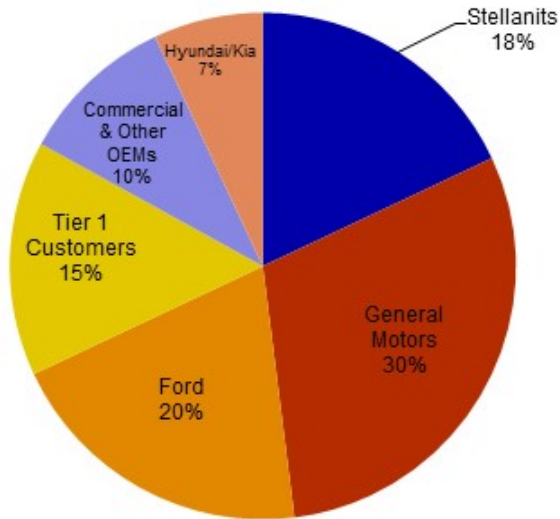
✓ UAW STRIKE

- Less than 10% reduced shipments to date

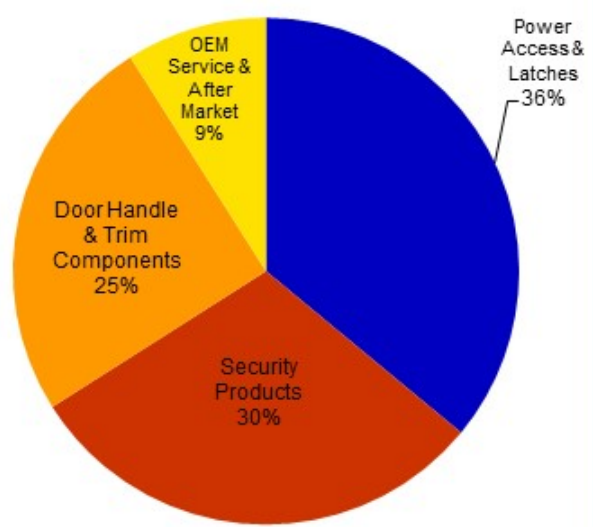
✓ STRATEGIC VISION

- Fresh thinking from 2 new Directors added to the Board of Directors
- Cash generation
- Improved return to shareholders

## Customers



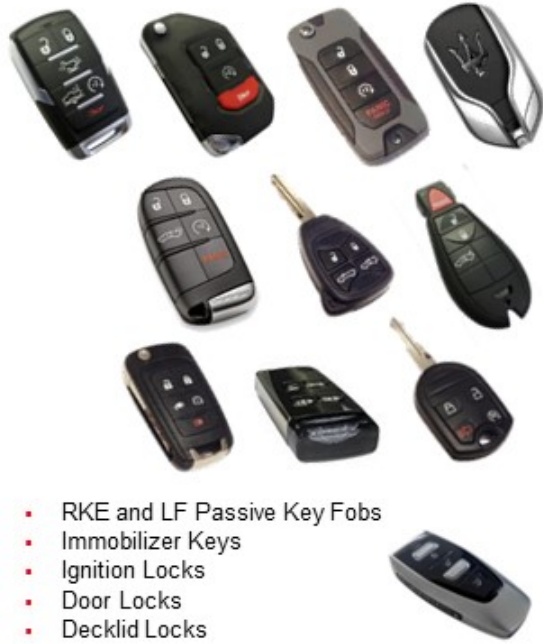
## Products



NOTE: Tier 1's sell products primarily to General Motors, Ford and Stellantis

- ✓ **NOTABLE INNOVATION AWARDS** – last 5 years
  - 2 PACE AWARDS from Automotive News – approximately a dozen awarded annually
  - General Motors Innovation Award – 1 of 4 awarded from 3,000 suppliers
  
- ✓ **CORE PRODUCTS:**
  - Security Products – OEM & Aftermarket
    - ✓ Fobs, Keys/Locks, Start Systems, Steering Column Lock Systems
  - Power Access Products
    - ✓ Power Tailgate, Lower Sliding Doors, Power Liftgate
    - ✓ Latches
  - Door Handles
  
- ✓ **NEW PRODUCTS:**
  - Switches
  - Phone as a Key (PAAK)
  - Electronic Assemblies

## Electronic Key Fobs & Locksets



- RKE and LF Passive Key Fobs
- Immobilizer Keys
- Ignition Locks
- Door Locks
- Decklid Locks

## Electronic Vehicle Start Systems Electronic and Mechanical Column Locks



- Column mounted
- Dash mounted
- Integrated electronics
  - Sensors
  - Solenoids
  - Ignition Switches
  - RFID Transceivers
  - Illuminated Bezels







# E-Shifter, Steering Wheel Switches, Paddle Shifters, ECU



ECU

Transmission  
Paddle Shifter

Steering Wheel  
Switches

E-Shifter  
PRND



# 5 Year Adjusted EPS Summary



\* Adjusted for Non-Cash Pension Settlement and compensation charges. See Appendix for reconciliation of non-GAAP performance measure to GAAP performance measure.

\*\* Net Loss due to COVID-19 and non-cash compensation charge reduced EPS by \$0.99.

	QUARTER SEPT 2023	QUARTER SEPT 2022	FISCAL YEAR JUNE 2023
SALES	\$135,406	\$120,360	\$492,946
GROSS PROFIT	18,720	12,496	42,152
SG&A EXPENSE	12,614	12,700	48,241
OPERATING PROFIT	6,106	(204)	(6,089)
OTHER INCOME	(264)	105	(1,579)
TAX EXPENSE	1,387	36	1,281*
CONSOLIDATED NI	4,455	(63)	(8,949)
NON-CONTROLLING	290	(188)	(2,279)
NET INCOME	4,165	125	(6,670)
EPS	\$1.05	\$0.03	(\$1.70)

\*includes \$2.2m China non-resident capital gain tax on sale of VAST equity at approx. bookvalue

- ✓ Continued reactions to UAW strike
- ✓ Growth focus on Power Access / Motion Control
  - Internal Focus on product line expansion
  - Search for complimentary acquisitions to diversify in other industries
- ✓ Growth in Electric Vehicles + Current Products Applicable
- ✓ Post- VAST global support
- ✓ Generation of cash
  - Return on asset strategies
  - Reduction of Inventory Build-up
- ✓ Improved return to shareholders

# Balance Sheet



	<u>October 1, 2023</u>	<u>July 2, 2023</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 15,665	\$ 20,571
Receivables, net	87,470	89,811
Inventories, net	81,367	77,597
Other Current Assets	<u>43,349</u>	<u>37,803</u>
Total Current Assets	227,851	225,782
Other Long-term Assets	20,452	20,702
Property, Plant and Equipment, net	<u>92,316</u>	<u>94,446</u>
	<u>\$ 340,619</u>	<u>\$ 340,930</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts Payable	\$ 50,297	\$ 57,927
Borrowings Under Credit Facility - Current	13,000	-
Other	<u>54,097</u>	<u>51,059</u>
Total Current Liabilities	117,394	108,986
Accrued Pension and Postretirement Obligations	2,392	2,363
Borrowings Under Credit Facility - Long-Term	-	13,000
Other Long-term Liabilities	5,532	5,557
Shareholders' Equity	339,261	334,683
Accumulated Other Comprehensive Loss	(14,527)	(14,194)
Less: Treasury Stock	<u>(135,514)</u>	<u>(135,526)</u>
Total STRATTEC SECURITY CORPORATION Shareholders' Equity	189,220	184,963
Non-Controlling Interest	<u>26,081</u>	<u>26,061</u>
Total Shareholders' Equity	<u>215,301</u>	<u>211,024</u>
	<u>\$ 340,619</u>	<u>\$ 340,930</u>

**STRATTEC SECURITY CORPORATION AND SUBSIDIARIES**  
**RECONCILIATION OF NON-GAAP PERFORMANCE MEASURES TO GAAP PERFORMANCE MEASURES**  
(in thousands, except earnings per share data)

	Twelve Months Ended
	<u>June 30, 2019</u>
Gross profit (GAAP measure)	\$ 57,800
Compensation charge, pre-tax	<u>2,491</u>
Adjusted gross profit	<u>\$ 60,291</u>
Engineering, selling & administrative expenses (GAAP measure)	\$ 47,186
Compensation charge, pre-tax	<u>1,704</u>
Adjusted engineering, selling & administrative expenses	<u>\$ 45,482</u>
Operating income (GAAP measure)	\$ 10,614
Compensation charge, pre-tax	<u>4,195</u>
Adjusted operating income	<u>\$ 14,809</u>
Net (loss) income (GAAP measure)	\$ (17,029)
Pension termination settlement (recovery) charge, net of tax	24,387
Compensation charge, net of tax	<u>3,209</u>
Adjusted net income	<u>\$ 10,567</u>
Diluted (loss) earnings per share (GAAP measure)	<u>\$ (4.63)</u>
Pension termination settlement (recovery) charge, net of tax	6.60
Compensation charge, net of tax	<u>0.87</u>
Adjusted diluted earnings per share	<u>\$ 2.84</u>